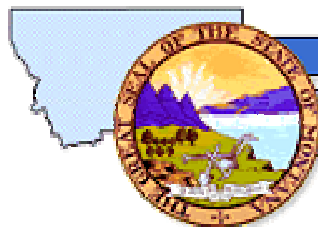


# Independent Contractor Best Practices Report

October 10, 2003

**Presented To:**



*Montana Department of Labor and Industry*

*Employment Relations Division*

IDS Center, Suite 700 • 80 South 8<sup>th</sup> Street • Minneapolis, Minnesota 55402

(612) 333-3323 • Fax (612) 373-7270



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# Foreword and Acknowledgements

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This report represents the second study Hays Companies has produced for the Montana Department of Labor and Industry. We received positive responses and feedback from our previous Uninsured Employer Fund report issued in 2002. We believe this report will offer equally valuable recommendations to the Department and other policymakers in Montana.

Special thanks to Jerry Keck, Administrator of the Employment Relations Division and Keith Messmer, Bureau Chief of the Workers' Compensation Regulation Bureau for providing case law summaries and program overview information on the Montana Independent Contractor Registration program.

I could not have completed this report without the excellent research and data gathering efforts of Matthew Groppetti, who worked as an intern with the Hays Companies during the summer of 2003. His work and compilation efforts provided a solid basis to this report. Thanks also to Karine Melby and Deon Stark of Hays for their review of the report.

A final acknowledgement for the cooperation of program staff from other states who were more than gracious in sharing their time and resources. Those who contributed from the states of Florida, Indiana, Maine, Oklahoma, Rhode Island, South Dakota and Washington, are listed in Appendix C of this report, along with detailed contact information.

Brandon Miller  
Hays Companies  
Minneapolis, Minnesota  
September 2003

# Executive Summary

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In June of 2003, the Montana Department of Labor and Industry initiated a study to evaluate and compare their Independent Contractor (IC) Exemption processes with those best practices used by other states.

Comparable best practices and recommendations were obtained through telephone interviews and electronic correspondence with eleven staff members from agencies in seven states (Florida, Indiana, Maine, Oklahoma, Rhode Island, South Dakota and Washington) These states were chosen due to their active role in registration and exemption practices for contractor and other exempt workers.

Through preliminary research and information gathering from interviews with regulatory staff in those agencies, we identified six main areas where the use and issuance of certifications or exemptions were most commonly aligned. From these we have identified some best practices we believe will serve as a guide for improvements in the Montana system.

## Background and Overview of the Challenges

Independent Contractors registration and exemption processes have developed over the past 20 years primarily in response to the need for clarification of those entities needing mandatory workers' compensation coverage.

Employers experienced substantial increases in premium costs during the late 1980's. This led to an increase in the number of employers seeking to reduce compensation costs by classifying workers as exempt or Independent Contractors, rely on leasing arrangements, under-reporting payroll or misclassifying workers..

The practice of classifying workers as Independent Contractors provided a three-pronged challenge to the workers' compensation industry.

First, on the regulatory side, it confused the coverage and compliance efforts of regulators as they attempted to identify and enforce mandatory coverage on entities that utilized a workforce illegitimately classified as non-covered or exempt workers.

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From the employer perspective, this practice created an attractive but unfair advantage to businesses that utilized exempt status workers when bidding against employers who classified their workers as employees. This was especially challenging in the trucking and construction industries where independent workers were a familiar arrangement.

From the employee side, the attractiveness of considering oneself an “independent” businessperson with responsibility for your own work, combined with promised increases in compensation makes it easy to understand the willingness many workers showed in signing waivers, statements, or even completed legitimate applications for exemption.

These are all very understandable reasons to explain a large increase in the occurrence of Independent Contractors in the workers’ compensation industry. The reasons stated may even make sense, until an injury occurs.

When a determination is made that an independent contractor arrangement should have been correctly classified as an employer/employee relationship for purposes of benefits. At that point with 20/20 hindsight, all parties have a very different incentive to be covered by insurance.

The regulator has a desire to see the new “employer” become responsibly covered. The “employer” is looking for an insurer to pay benefits on an employee the carrier never collected premium. The employer is also facing a fine for avoiding coverage. Finally, the new “employee” is looking for benefits when they lose their earning capacity and decide it is more advantageous to be considered an employee after all.

Many states saw the benefit of clarifying workers’ compensation coverage and exemption requirements through rulemaking or enhancing existing laws. A smaller number of states enacted registration or exemption processes.

A formal registration process can be beneficial by putting the responsibility on regulators for making a proactive employment relationship determination before an injury occurs. In order for a registration, certification or exemption process to be effective, we found it must have the following basic components.

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## 1. Identification and Education of Exempt or Registered Entities

Multiple entities such as sole proprietors, small businesses owners, Independent Contractors, general contractors or exempted status workers need to understand coverage and exemption requirements for workers' compensation. There should be easily accessible and effective education and communication mechanisms to ensure that those entities are appropriately registered or exempted from workers' compensation coverage requirements. Without this important step, the value of certifying or exempting entities is reduced for enforcement and coverage purposes.

## 2. Timely Processing of Applications

Once the requirements and qualifications for entities to register or exempt are fully understood, the regulatory agency needs to provide easily understandable applications that can be processed and determinations given in a timely manner. With the ability to perform business often dependent upon certifications or exemptions, turnaround times for processing applications are critical to businesses.

## 3. Reasonable and Defensible Registration Fees

Registration fees are often appropriately set with the purpose of lessening the abuse of a certification process. However, they should also be reasonable enough not to be a burden to the registering party or serve as a revenue generating mechanism.

## 4. Clearly Defined and Meaningful Outcomes

Do the certifications or exemptions hold sway with industry participants? Once a certification is approved, can it be used to demonstrate with certainty a status to insurers and general contractors? A critical aspect is to ensure the certification holds some meaning either as a determinative or rebuttable presumption for compliance actions or hearings. Without a consistent and meaningful determination process, there is no way to ensure fairness and a level playing field for all businesses.

# Executive Summary

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## 5. Tracking and Access to Certifications or Exemptions

In order for the certifications or exemptions to be useful, there must be an easily accessible and updated database. This is critical for the regulators and policymakers to perform adequate enforcement, fraud or abuse investigations by certificate holders. It is also critical to providing current and accurate information to insurers, general contractors and others in the public who may have a need to know the status of a registered or exempt entity.

## 6. Ongoing Monitoring of Certificates for Renewal or Revocation

This reinforces the need to have an updated and accurate system for auditing and enforcement activities. Additionally, if the database is not updated or purged of invalid certifications, the validity and effectiveness of a certification or exemption program is undermined.

These basic components of an Independent Contractor certification or exemption process are, for the most part, already in place within the Montana system. We found Montana actually has a stronger and more robust registration and exemption process than a few of the other states we reviewed.

However, there are some areas where Montana ICCU can enhance the current processes to improve their operations. One of the main challenges Montana faces is the utilization and prevalence of registrants in the Independent Contractor program. A concern for many is that the IC program with easy registration and long-term certification invites abuses and puts some employers at a competitive disadvantage.

As with Coverage and Compliance, misclassification of workers, intentional or not, can create an uneven playing field for employers and put workers at higher risk of not receiving appropriate workers' compensation benefits.

A recent article in the South Carolina newspaper, *The State*, referenced a study done by the Economic Roundtable of Los Angeles. That study found billions of dollars diverted from Social Security, workers' compensation and other health insurance safety net programs by employers who operate in a "shadow economy." These practices also increase contribution rates for the remaining businesses and workers.

# Executive Summary

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The same article cited a report from Columbia economists, *The Shadow Economy*, which listed licensing fees, registration requirements and red tape as reasons businesses go underground. Some of the very registration and tracking mechanisms in place may be a disincentive to businesses appropriately complying.

We discuss the need to carefully balance a clear and verifiable process with reasonable fees, timely approvals of applications and maintaining data that is meaningful in order to make the registration process as useful and unobtrusive as possible.



# Executive Summary

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**We found the following main differences between current Montana procedures and the seven other states we reviewed:**

- 1) Other states have a more accessible database for public research.
- 2) Some other states require more documentation for initial application.
- 3) Other states do not have the prevalence of Independent Contractors to covered workers.
- 4) Other states do not have the amount of detail on IC exemptions on their websites.
- 5) Most other states do not have the tiered level registration fees.
- 6) Montana has a more defined exemption period than many other states.
- 7) Other states do not have the amount of follow-up auditing that Montana performs.

Policymakers and regulators are aware of the challenges facing the IC registration program and are committed to ensuring the best practices recommendations are reviewed, prioritized and implemented where possible. We hope this report and the recommendations we make will help to guide the Senate Bill 270 Study Committee on Independent Contractors to support and adopting changes to improve the IC system in Montana.

# Executive Summary

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## Recommended Best Practices to Improve the Montana IC Program

Generally, Montana has a comprehensive and sophisticated system for registering and exempting Independent Contractors and Construction Contractors. The registration fees and segregation of the two types of registration make intrinsic sense.

While there are more strengths and redundancies in many of the processes Montana utilizes, we believe policymakers can enhance the system even further. They have taken some important steps by reducing the length of time an Independent Contractor Exemption is valid.

- 1) Montana ICCU should consider requiring additional documentation and information at initial application to establish qualifications as an exempt entity. We reiterate this recommendation from our report last year. We suggest utilizing tax returns, advertising, yellow page listings or corporate registrations, which can easily establish an independent business.
- 2) ICCU may want to establish a random audit for compliance on a small sample size of certifications during a selected period.
- 3) Montana ICCU should develop an online application form that can be pre-filed or used to obtain a temporary certification. This will allow businesses to receive an initial non-binding certificate and make it more business friendly for those contractors needing an exemption before bidding on projects.
- 4) ICCU could identify expiring certifications and proactively notify the applicants that the registration is expiring. They can send another form and ask for any information they will require for audit upon re-application.
- 5) To enhance the usefulness of the exemption database, Montana ICCU can establish a searchable database of registered exemptions on their website.
- 6) Montana ICCU should consider automated mailing of coverage, and Independent Contractor and Construction Contractor informational pamphlets to new businesses.

# Overall Project Summary

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The Montana Department of Labor and Industry's Workers' Compensation Regulation Bureau requested an evaluation of their IC exemption process and an identification of best practices used by other states programs.

The project required Hays to review other states that provide Independent Contractor exemptions or certifications and prepare a report containing:

- Comparison of statutory authority for identifying, registering, monitoring, certifying and decertifying Independent Contractors.
- Citations for the statutory authority and definition for each states IC registration or exemption process.
- Select and produce a summary of the five IC certification or exemption programs that have the best mix of program components.
- Review and summary of penalty enforcement processes for statutory violations.
- Best practice areas to be analyzed:
  - Identification of conclusive proof for businesses to be approved for exemption.
  - Identification of processes to assure employers and ICs comply with the intent of the law after certification.
  - Identify processes to educate the business community and exemption holders on the intent of the law.
  - Identify methods to elicit support for the effective enforcement of the program.
  - Identify regulatory and review procedures related to sole proprietors, partners or corporate officers.
  - Identify processes to review and evaluate claims filed by exemption holders.
  - Identify procedures to handle disputes regarding the status and enforcement of IC registrations or exemptions.

# **Review of Other States**

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## **Review of States Interviewed**

Beginning the week of July 7, 2003, Hays Companies staff performed telephonic and web-based research on regulations and processes related to Independent Contractor certifications or exemptions. Statutory citations, application forms and contact information was gathered and is included in the Appendix section.

After the initial phase of research, seven states were identified which had formal registration or exemption procedures for Independent Contractors. These states were identified as being sources of comparative best practices for Montana.

Telephonic interviews were scheduled and held with the applicable key representatives from Indiana, Maine, Oklahoma, Rhode Island and South Dakota. Information was also reviewed from Florida and Washington.

Contact information from those states is detailed in Appendix C.

# Review of Other States

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**Seven state IC certification or exemption programs with best mix of program components.**

## **Florida**

We were unable to arrange an interview with staff from the Florida Division of Workers' Compensation Bureau of Compliance. We have provided contact information for staff that we believe would be most knowledgeable about the exemption registration program and various exemptions to coverage under Florida law.

The Florida Department of Financial Services, Division of Workers' Compensation is responsible for monitoring and registering industry exemptions in two areas 1) Construction Industry 2) Non-Construction Industry. Florida has a history of exempting construction contractors from coverage requirements as long as they worked on projects under \$250,000 or residential construction projects.

With unprecedented growth in the construction industry, and rising value in residential construction projects over the past few years, regulators noticed a marked increase in abuses of the construction industry exemption process. The legislature held a special session in early 2003 to eliminate some of the loopholes for construction exemptions and increase efforts for coverage and compliance. According to the National Academy of Social Insurance, Florida has an estimated covered workforce of 6.754 million workers.

Senate bill 50-A contains sections that address the construction and non-construction exemption holders and will generally become effective January 1, 2004.

In order to be exempt from the requirements of the workers' compensation statute, businesses must submit an application to the Division of Workers' Compensation. A registration fee of \$50 is required for all construction industry exemptions, while non-construction entities are not required to submit a fee. Fees are deposited in the Workers Compensation Administration Trust Fund.

Both types of exemption applicants utilize the same form – a DWC 250 Notice of Election to be Exempt. The application form was revised in

# Review of Other States

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May 2003 and must be notarized before submission. There are separate instructions depending on the type of business electing to exempt. Rules and the application forms indicate exemption applications are to be processed within 30 days of postmark or receipt in the division.

Exemption certificates for non-construction exemptions are issued and remain in effect until the applicant files a revocation request, or until the Division revokes the exemption involuntarily after an investigation.

Construction industry exemptions expire two years after the date of issuance. Expiration notices are sent to construction exemption holders 60 days prior to expiration and must be re-submitted with a new application fee and required documentation in order to re-exempt.

## Documentation required for businesses to be approved for exemption

Non-Construction – Sole Proprietors and Partners are automatically exempt under Florida law. Corporate Officers must make an affirmative application for exemption. Each individual officer must make a separate application for exemption. Officers must be listed on the Florida Secretary of State database as an active corporate officer. Applicants under this part must also provide any professional occupational licensures and a FEIN in order for the application to be complete.

Construction – In addition to the occupational licensure and FEIN information, construction industry applicants must file a federal IRS form 1040 tax form along with a schedule E if the applicant is a partner. Corporate officers of construction entities do not need to file the form 1040. Exemption numbers for each entity are limited in the construction industry to 1 for sole proprietors, 3 for partners and 3 for corporations.

## Processes to assure employers and ICs comply with the intent of the law after certification

The Department maintains electronic databases of exemption holders and utilizes these in regulatory coverage and compliance activities. The database is searchable by the public and feeds to the proof of coverage database. The Bureau of Compliance is committed to increasing investigations in the high-risk construction industry area and focuses efforts on exemption holders.

# Review of Other States

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## Processes to educate business community and exemption holders on the intent of the law

The state website provides a number of documents and links to the application forms and requirements for both coverage and exemptions. With the changes taking effect in the law, notices have been sent out to all current construction industry exemption holders regarding the changes in law, which will take effect in January 2004.

Before January 1, 2004, current exemption holders in the construction industry must complete and submit an application for Re-Issuance. This application will not change the expiration date of the current certificate, nor will it require an additional application fee.

The Re-Issuance application is needed because the law restricts exemptions for construction entities only if the applicant is a corporate officer with at least 10% of the stock. This has the effect of mandating sole proprietors and partners in the construction industry to incorporate in order to retain exemption.

## Methods to elicit support for the effective enforcement of the program

Many construction industry small businesses are not enamored with the legislative changes, but in order to ensure a level playing field and ensure that appropriate coverage is maintained for all employees, the changes were pushed through in the legislature as a result of a blue ribbon panel formed by the Governor. It is hoped the broader coverage requirements and elimination of loopholes will help to reduce overall workers' compensation rates and costs to the entire state.

# Review of Other States

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## Indiana

The Indiana Workers' Compensation Board (WCB) is responsible for administering the Independent Contractor Certificate through the Clearance Certification process. The system has been effective in its current form since July 1, 2001. The Clearance Certification process provides certificates for Independent Contractors in the construction trades, as defined in code, and also allows exemptions for sole proprietors and partnership owners.

Prior to this more formal process, Indiana allowed certifications based upon filed affidavits. Filing fees prior to 2001 were a single annual \$5 rate payable to the WCB. The process now requires an application to be submitted through the Indiana Department of Revenue, which must make a determination that there are no outstanding taxes payable to the State of Indiana.

Once this determination is made, the application and processed certificate are passed on to the WCB. The \$20 application fees are split with \$5 going to the Department of Revenue, and \$15 to the WCB. These amounts are charged annually and are non-refundable. The fees go to support the Department and Board administrative activities.

The review and approval process at the WCB generally takes one to two days. There is a required seven-day holding period before the actual certificate is sent out to the independent contractor. Contractors may elect to walk the application through the process and receive an interim certificate, but must wait seven days for the formal certificate. Four members of the WCB staff dedicate portions of their time to the Clearance Certification Process.

It is estimated the Indiana WCB processes 12,000 applications annually for a covered workforce estimated at 2.822 million workers by the National Academy of Social Insurance.

The legislation passed in 2001 was supported by a broad coalition of stakeholders from business, labor and insurance industries. This was a political rarity in the workers' compensation arena for Indiana. Although some in the construction industry had concerns, especially the



# Review of Other States

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Independent Contractors the overwhelming support assured easy passage.

The legislation was passed because of growing confusion in the construction and insurance arenas over who was required and not required to have workers' compensation coverage. The current certification process provides excellent documentation for insurers and general contractors in the construction industry.

## Documentation required for businesses to be approved for exemption

The Indiana process does not require any documents, contracts or business information to be provided. If an applicant is a new Indiana resident who has not filed state taxes, they need to provide an identification card such as drivers license, or copies of other state tax returns. The process does require a signed application, which also serves as an affidavit and requires either a social security number or FEIN.

Other than validating that taxes are paid up to date, there are no additional requirements to apply for certification.

## Processes to assure employers and ICs comply with the intent of the law after certification

There are no formal follow-up regulatory programs utilized by the WCB. The certificates are issued and good for one year. Since they have no enforcement oversight the entire certification and renewal process is voluntary and there is no need to do a post issuance check.

The new program has led to an observed decrease in the abuses of the certification program that had seen some problems in the past.

The WCB will on occasion decline a registration and stamp the certificate DENIED. They have not as yet seen any abuses of the certification program. One of the reasons they do require a pre-certification review with the Department of Revenue is based on the regularity of non-compliance on the tax side more so than on the certification side.

# Review of Other States

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## Processes to educate business community and exemption holders on the intent of the law

There is no formal outreach or education process for informing businesses of the need for the certification or exemption. Rather, most of the activity is generated from an insurance agent or company who will ask a general contractor for IC or exemption certificates. WCB staff will provide information at business education and roundtable events if invited.

Indiana does have an excellent and easily navigable website with information and Frequently Asked Questions. This information is available at: [http://www.in.gov/workcomp/independent\\_contractors](http://www.in.gov/workcomp/independent_contractors)

This information has also been reproduced in the appendix for this report.

## Methods to elicit support for the effective enforcement of the program

With the broad-based push for the legislative changes in 2001, there was already a good support network for the program. Additionally, since the application program is relatively easy and timely, there is ongoing support for the program. The fees have caused some consternation with IC's or exempt employers. However, with the validity of the certificates accepted widely by general contractors and insurance carriers, the process is valuable for the IC's.

With the additional pre-certification from Department of Revenue, it also helps to assure the companies are competing on a level playing field for tax purposes as well as workers' compensation coverage.

## Regulatory and review procedures related to sole proprietors, partners or corporate officers

As stated earlier, the Indiana Clearance Certification process allows for sole proprietors and corporate officers to file for exemption from statutory coverage requirements as long as they can completely and accurately fill out the application form and obtain approval.

# Review of Other States

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## Processes to review and evaluate claims filed against exemption holders

The insurance carriers perform review for potential liability of independent contractors during their premium audit and review of general contractor policies. Indiana rules specifically indicate that premium must be collected for subcontractors UNLESS the insured provides satisfactory evidence such as:

- 1) A certificate of insurance for the subcontractor
- 2) A certificate of Exemption or
- 3) A copy of the subcontractor policy

## Procedures to handle disputes regarding the status and enforcement of IC registrations or exemptions

The certification and exemption process amounts to a status determination; denials can and are issued. No appeals are taken. Instead, the applicant can re-submit the application with additional information that would indicate they meet the criteria to be exempt or a certified. The most important information required by the WCB for IC certification is:

- 1) Taxes are paid up to date
- 2) The entity has no employees (for IC)
- 3) The entity is in the construction or building trades and
- 4) They are not incorporated.

# Review of Other States

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## Maine

Maine Workers' Compensation Board (WCB) is responsible for administering the Predetermination of Independent Contractor Status program. WCB is under the administration of an eight-person board that is appointed by various elected bodies. The WCB took over administration of the program from the Maine Department of Labor in 1994 because the process had more bearing on workers' compensation coverage and compliance than on safety, wage and hours enforcement.

Initial legislation was supported by wood harvesting associations and woodlot owner associations as it clarified coverage issues and helped to reduce litigation on Independent Contractor determinations.

The voluntary Predetermination program actually involves two distinct processes. These are outlined and defined generally by Maine Title 39A.

- The first process is for a predetermination finding of Independent Contractor status applies only to the woodcutting and logging industry. This non-rebuttable process is outlined in sections 105 and 401, but is only conclusive where the Independent Contractor is a woodcutter and only exempts the landowner from providing coverage if the registration is granted.
- The second process allows an entity to apply to the WCB for a rebuttable status determination of independent contractor status in all other industries. This certificate is also issued, but provides a lesser rebuttable presumption of independent status.

The rationale for segregating the two has its roots in the historical importance of private and commercial woodcutting in Maine. Woodcutters as defined in statute are employees of a landowner, UNLESS they specifically apply for and receive the predetermination from the WCB. A landowner must obtain a predetermination for each woodcutter they contract with. A woodcutter must provide his portable predetermination certificate for each contract he or she enters into for each separate woodlot.

# Review of Other States

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The second process allows employers, workers or insurance companies to fill out and submit the application for a certificate of independent status and utilize as a way to segregate payroll for premium purposes.

There are no registration fees associated with either of the processes. The process allows woodcutters to be covered when there is failure to carry coverage. The certificate process also provides security to the landowner when there is a certificate in place, exempting them from workers' compensation coverage.

The predetermination process usually takes less than two days. There is a statutory presumption that indicates if the WCB has not taken action on a predetermination application within 14 days, the application is automatically approved.

Certificates are issued for a period of one calendar year and the certificates must be re-applied for entirely. Receiving a certificate one year does not guarantee approval the next year. During calendar year 2002, there were close to 1200 applications in both programs. The covered workforce in Maine is estimated by the National Academy of Social Insurance to be 579,261 workers.

## Documentation required for businesses to be approved for exemption

In the preclusive predeterminations submitted for the woodcutters, a copy of a signed contract is required before a determination will be made. The contract is necessary in order to show there is a specific relationship between the landowner and the woodcutter. The predetermination certificate, while portable for the woodcutter, is required for each separate contract with the landowner.

Other important factors for woodcutter predeterminations are ownership and control of tools and equipment (especially a skidder) and the ability to hire themselves out to other landowners.

No specific documentation is required for the certificate of independent status in other industries.

# Review of Other States

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## Processes to assure employers and ICs comply with the intent of the law after certification

There is no follow up regulation or monitoring for compliance. There have been no instances of fraud that have been reported or observed. Since the process is voluntary and beneficial for both parties, there have not been instances of abuse for the woodcutter program. On the non-woodcutter program, the determination is rebuttable with a preponderance of information. Since the determination is not controlling, regulators believe it provides less incentive for abuse.

## Processes to educate business community and exemption holders on the intent of the law

Most of the information is available on the Maine WCB website with a link to FAQs. There is also a pamphlet which can be mailed out to agents and other interested parties. Examples of these educational documents are included in the appendix on state statutes and rules.

The WCB staff will present on the predetermination registration program at woodlot association meetings. Additionally, the WCB receives a number of calls from insurance agents asking for explanation of the predetermination program.

## Methods to elicit support for the effective enforcement of the program

The program is well supported within both the woodcutters and landowners arena. For the Independent Contractor rebuttable certificate program, there is support due to the reduction in premium that can be obtained for employers obtaining an exemption.

## Regulatory and review procedures related to sole proprietors, partners or corporate officers

The statute (Section 401 subsection1) defines private employers and exempts immediate family members and principal shareholders of a corporation. We did not find any specific definition of sole proprietor. These exemptions are rebuttable upon filing of a claim.

# Review of Other States

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## Processes to review and evaluate claims filed against exemption holders

The predetermination certificates can be entered into court proceedings in an attempt to secure benefits. Since the woodcutter certificate is presumptive, judges usually take them at face value and deny benefits. The certificate of Independent Contractor status is rebuttable and is given appropriate weight when determining the preponderance of evidence on coverage findings.

## Procedures to handle disputes regarding the status and enforcement of IC registrations or exemptions

If a predetermination is denied, the aggrieved party can appeal the decision to a staff attorney within 10 days of the denial. The staff attorney reviews the application material and can affirm the denial or issue a certificate.

# Review of Other States

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## Oklahoma

The Oklahoma Department of Labor - Licensing Division, under an elected Commissioner, is responsible for administration of the Certificate for Non-Coverage program. The program was enacted (Title 40 section 415.1) in 1993. Rules (Oklahoma Administrative Code 380:60) were promulgated to administer the certificate process.

The certificate process is generally broad and designed to award a one or two-year exemption pocket cards to sole proprietors, Independent Contractors member of a partnership or primary (10%) stockholders of an incorporated company. As with many other states, this process is voluntary and provides a benefit to the employer. All Oklahoma employers with more than 5 full-time employees are required and presumed to have workers' compensation coverage unless they can obtain this certificate of non-coverage.

Application forms must be fully completed and notarized and submitted to the Department with a \$10 (for one year) or \$20 (for two years) application fee. This fee is paid to the Department of Labor Administrative Revolving Fund to pay for general administration and enforcement efforts in the workers' compensation system. Duplicate cards require an additional \$5 fee. Duplicates can be provided to the exempt entity, or other interested party for a \$5 fee. Insurance companies or general contractors, who use the cards as documentation to exclude coverage, often request duplicate certificates.

The application process usually takes 30 days between application and issuance of a certificate. There is concern about delaying the ability of small businesses to perform work during this period, so the Department allows a request and issuance of a 30-day temporary certificate. Licensing Division individual staff position descriptions lay out expected performance standards for processing applications in a timely manner. There are no division wide performance standards

The data is stored in an ACCESS database and old certifications are scanned for historical purposes once they are no longer needed. Records are available under the open records laws of Oklahoma.



# Review of Other States

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During calendar year 2000, 13,090 certificates were issued. In subsequent years, the numbers have been; '01 = 8871, '02 = 8548, FY '03 = 14,611. There are currently 17,573 certificates in effect (some are valid for two years) for a covered workforce of approximately 1.42 million, as estimated by the National Academy of Social Insurance.

## Documentation required for businesses to be approved for exemption

Documentation required to complete and submit the application is specifically laid out in section 3 of Oklahoma Title 85. All required documents are clearly outlined on the application form and vary by type of business applying. Applicants may be required to provide professional licenses, profit and loss statements, FEIN, Secretary of State certificates or corporate and partnership legal documents.

## Processes to assure employers and ICs comply with the intent of the law after certification

The process provides a two-year exemption certificate. In order to remain exempt, an entity must reapply and provide all the information again in its entirety. The certificate has an expiration date of two years from the date of issuance.

Additionally, there are fines that can be levied against the applicant for up to \$100 for knowingly providing false information in order to obtain a certificate. Employers can also be assessed a \$500 or \$1000 penalty for requiring a certificate from an employee when they know that employee is not eligible.

## Processes to educate business community and exemption holders on the intent of the law

There are public brochures and some outreach efforts made to business groups and insurance agents to educate on the requirements and application of the Certificate of Non-Coverage program. Information is available on the Department of Labor website, with links to the rules and application forms.

# Review of Other States

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## Methods to elicit support for the effective enforcement of the program

Although the program is not entirely supported by the Commissioner and the business community, it is enforced appropriately. The Commissioner and employers are concerned the process delays an Independent Contractor's ability to work if they need to wait for a processed form. Hence they created a temporary certificate, which allows an IC to work on a contract without delay.

There is support and acceptance for the program in that it helps to clarify the exemptions and is seen as a necessary tool to exempt payroll from premium charges. Data from this program is also shared with the Oklahoma Tax Commission

## Regulatory and review procedures related to sole proprietors, partners or corporate officers

This process specifically addresses the needs of sole proprietors and corporate officers. The exemption card is necessary for those entities to exempt their payroll from insurance premium. The entire process and application addresses the unique requirements and documentation necessary for establishing legitimate exemptions through sole proprietorship or officer status.

## Processes to review and evaluate claims filed against exemption holders

The certification provides a rebuttable presumption of determination that can be weighed by the workers' compensation judge in issues of coverage and compensability.

## Procedures to handle disputes regarding the status and enforcement of IC registrations or exemptions

Certificates can be denied and re-submitted once the information is perfected. Applications are reviewed by department staff and their legal counsel for final determinations. If a certificate is denied, the applicant has the ability to appeal the administrative determination to the legal services section.

# Review of Other States

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## Rhode Island

The Rhode Island Department of Labor and Training, Division of Workers' Compensation is responsible for administering the Notice of Designation as Independent Contractor Process. Statute 28-29-17.1 was adopted in January 2001 and specifically addresses the designation of Independent Contractors for the explicit application of workers' compensation coverage requirements.

One analyst is responsible for processing all the designation requests. Applications are approved as long as the form is filled out correctly. Processing and issuance usually takes 3 business days. The Division is developing an electronic filing format, which should speed the process.

The law was specifically enacted on recommendations from a Workers' Compensation Advisory Council initiative and study, in response to loopholes that employers were abusing for coverage of employees.

Prior to 1999, businesses with fewer than four full-time employees were exempt from workers' compensation. In 1999 the exemption level dropped to one employee. With the increased confusion and attempts to exempt many employees, an increase in misclassifications and increase in non-compliant employers was observed. The Designation process was enacted in response to these changes.

The Designation is a rebuttable presumption and can be provided to employers and insurance companies as prima facie evidence that the person is an Independent Contractor. The application does not require a registration fee and remains in effect as long as and at any time an IC works for a specific hiring entity, or until there is a notice of withdrawal filed. If an applicant wants a copy of the designation, they can include a self-addressed envelope with the application.

ICs may have multiple designations for each separate hiring entity. According to the Fraud Prevention and Compliance Unit annual report, 7,754 designations were processed in 2001, 6,756 in 2003. To date in calendar year 2003, 4,056 have been processed. The total number processed since legislative enactment is now more than 18,500. Understanding that there are likely duplicates and expired designations

# Review of Other States

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in that number, that compares to a covered workforce of 438,822, very similar to Montana's covered workforce of 370,613.

## Documentation required for businesses to be approved for exemption

There is no formal documentation required. The form is relatively simple and requires name, address, SSN, FEIN and professional licensure if applicable.

## Processes to assure employers and ICs comply with the intent of the law after certification

There is no process to review the ongoing non-cancelled certifications. There may be numerous invalid designations if IC's no longer work for a particular hiring entity. There is no method in place to follow-up on the ongoing validity of designations. There is a Fraud Prevention and Compliance Unit responsible for monitoring complaints about the program from competing businesses or employees who believe they were coerced to sign the designation application.

The Department also posts all names, dates of filing and date designations were rescinded on their public website which helps with education and enforcement efforts. Those certificates can be found at: <http://www.dlt.state.ri.us/wc/iciclist.htm>

## Processes to educate business community and exemption holders on the intent of the law

The Department works with the Contractor Licensing Board, provides speakers for seminars and provides informational pamphlets, which are included in the appendix.

## Methods to elicit support for the effective enforcement of the program

Rhode Island experienced a tragic fire with more than 90 fatalities, including numerous employees, at a nightclub earlier in 2003. Coverage and compliance and enforcement efforts have taken front stage for the Department. There is widespread public support for making certain coverage is appropriately in place.

# Review of Other States

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Additionally, the Fraud Prevention and Enforcement Unit targets high-risk industries where examples of abuses have been seen, or where there is a sudden increase in the prevalence of applications.

## Regulatory and review procedures related to sole proprietors, partners or corporate officers

This process only deals with designations for Independent Contractors for purpose of workers' compensation and does not encompass other entities such as sole proprietors or partners.

## Processes to review and evaluate claims filed against exemption holders

There are numerous warnings and notices on the application form to employees to make sure they understand there is no entitlement to workers' compensation benefits, and there was no coercion in getting an applicant signature.

## Procedures to handle disputes regarding the status and enforcement of IC registrations or exemptions

During the three years the program has been in place, only a handful of applications have been denied. If all the information is provided, the Division will approve the application. If the applicant wishes to have the Department reconsider, they need to provide all the required information. No documentation beyond that required on the application form is needed.

# Review of Other States

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## South Dakota

The South Dakota Department of Labor is responsible for administering the Independent Contractor Verification Program. In South Dakota, the application process is restricted to truck drivers. Other workers may be found to meet the definitions of an Independent Contractor after a hearing or fact-finding, but the pre-registration and presumption only applies to the trucking industry.

The application does not require an application fee and has been in place since 1995. South Dakota Codified Laws, title 62 and Administrative Rules of South Dakota Chapter 47:03:07 dictate the process. The approval process is part of the job responsibilities of five Wage and Hour Investigators who also have responsibility for other programs.

An application requires a trucker to answer nine questions regarding ownership, maintenance, pay arrangements and extent of helpers used by the applicant. Certificates are issued and, similar to Rhode Island, must be re-established for each new contract relationship a driver establishes with a new broker or contracting company. The form must be signed by the driver seeking an IC status determination.

The application and certificate are usually processed by the Department within a day and are rarely denied except for lack of complete answers on the application. The determination is rebuttable and can be rescinded by the Department if investigation indicates the status is no longer valid. A certificate is rarely revoked although there is specific administrative rule authority to do so.

Annual application numbers vary depending on the amount of new contract relationship there are between drivers and trucking companies. Since the 1995 initiation of the program, 2213 Certifications have been issued. This number may not be accurate as to the number of current active certificates since they have no expiration date. Also, the revocation requests are voluntary. South Dakota has a covered workforce of 353,635 according to the National Academy of Social Insurance. This is very similar to Montana's workforce numbers.

# Review of Other States

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## Documentation required for businesses to be approved for exemption

The most important documentation required for application is signed contracts between drivers and trucking firms, lease agreements to establish independent ownership of tractors and a completely filled out application. No licenses or tax returns are required, although that information is generally described on the application.

## Processes to assure employers and ICs comply with the intent of the law after certification

Chapter 47:03:07:04 specifically allows for a revocation, suspension or denial of certifications issued by the Department. There is admittedly no follow-up to determine whether current certificates are valid, or formal investigations to determine if a revocation or suspension is appropriate.

## Processes to educate business community and exemption holders on the intent of the law

The Department of Labor website has links to the application and description of the Certification process. The Department provides no formal outreach or education services to trucking industry representatives.

## Methods to elicit support for the effective enforcement of the program

Most industry participants view the Certification process as a valuable and necessary tool for predetermining Independent Contractor status for purposes of payroll and premium coverage.

## Regulatory and review procedures related to sole proprietors, partners or corporate officers

There are no formal review procedures in South Dakota to make determinations on status other than Independent Contractors.

# Review of Other States

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## Processes to review and evaluate claims filed against exemption holders

The hearing process allows claimants to rebut the Independent Contractor certification. There are no specific monitoring and review processes in place to prevent abuses of the program, although none have been noted since the program inception.

## Procedures to handle disputes regarding the status and enforcement of IC registrations or exemptions

Although very few certificates are denied or suspended, the Chapter does allow for a formal administrative law hearing in front of the Department. If information is provided to the Investigators and not approved, applicants can informally ask the Director of the Division to review the application without a formal hearing.



# Review of Other States

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## Washington

We were unable to arrange an interview with staff from the Washington Department of Labor and Industries. We have provided contact information for staff we believe are most knowledgeable about the contractor registration program and various exemptions to coverage under Washington law.

Washington uses a single payor exclusive state fund model for providing workers' compensation coverage. The Washington Department of Labor and Industries Specialty Compliance Services Division is responsible for monitoring and registering the contractor program. Most staff are Compliance and Licensing professionals.

Washington has a stringent contractor certification and registration program which is meant to ensure employment accounts are set up for contractors and that consumers are protected by receiving certified, licensed and bonded services. Washington has a covered workforce of 3.215 million workers.

The contractor registration program only certifies that an entity is a registered contractor and does not establish entitlement or exemption from required workers' compensation coverage. The program does not provide any predeterminations or certificates for Independent Contractor or exemption status.

While there are exempt employments and a definition of "Exempt Independent Contractor, no certificates are provided. The definition of an Exempt Independent Contractor can be found in Revised Code of Washington (RCW) 51.08.195. This is included in the appendix on other state laws.

The definition requires that if an individual does not supply equipment or the labor of others, they must meet a six-part test to determine if they are exempt from coverage. The six-part test generally looks at extent of control, filing of forms with the IRS and establishment of a UBI account with the state of Washington. The IC must meet all six parts to be qualified as an Independent Contractor.

# Review of Other States

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## Documentation required for businesses to be approved for exemption

Although there is no formal certification or registration for Independent Contractors, the contractor registration program does require proof of surety bond, insurance coverage and a Unified Business Identifier (UBI) number issued by the Department.

## Processes to assure employers and ICs comply with the intent of the law after certification

The Department does not certify Independent Contractors, but does have the ability to audit payroll, accident experience and premium history, as it is the insurance company for all employers in Washington.

## Processes to educate business community and exemption holders on the intent of the law and methods to elicit support for the effective enforcement of the program

Washington provides excellent web based resources for the review and application of contractor certification. The website also helps to educate the general contractors of their potential liability for subcontractors' workers' compensation, if they are found to be improperly registered and uninsured. The website allows general contractors and the public to search a database of registered contractors.

## Regulatory and review procedures related to sole proprietors, partners or corporate officers

There are no formal determinations on the status or determinations on sole proprietors, corporate officers and other exempt employments. However, the department does publish a reference guide detailing the exempt employments. The card and RCW 51.12.020 also allows for voluntary coverage to be elected on normally exempt employments.

## Processes to review and evaluate claims filed against exemption holders

When a claim is filed by a subcontractor against a general contractor, the Department has the ability to fine and collect past due premiums and penalties for non-compliance. Additionally, the Department will monitor premiums going forward to insure the liabilities for those subcontractors.

# Review of Other States

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## Montana Current Practices

Montana's system is very similar to the model used by Florida. The Montana Department of Labor and Industry – Workers' Compensation Regulation Bureau is responsible for administering the Independent Contractor Exemption and Construction Contractor Registration programs.

### Independent Contractors

Montana Code Annotated (MCA) 39-71-120 and 39-71-401 dictate that Independent Contractors (IC) carry insurance or affirmatively apply for an exemption. An application consists mainly of a signed affidavit and must be accompanied by a registration fee of \$17 payable to the administration fund to offset the administration of the program.

The IC program was recently changed to reduce the effective period of exemption to 2 years from 3. The application fee was also reduced from \$25. Now, IC's are required to re-apply for exemption every two years. The statute and application indicate to applicants that they will be subject to a civil penalty of \$1000 for each false statement they make when completing an application.

In addition to the affidavit, if an applicant is a minor, under 18 years of age, a guardian must also sign the application. All applications require notarized signatures, which can be provided in person at the Department of Labor and Industry.

Registrations must be obtained before a contractor submits a bid to be presumptive and controlling for exempting the contractor from coverage. Montana Supreme court cases have also strengthened the enforcement impact and should help to lower abuses. The 2003 Wild v. Fregein Construction case broadens the scope of coverage and indicates that employers have a responsibility to make a cursory determination of IC status at that time in fact before relying on IC exemptions in name.

Renewal audits may require an applicant to provide proof of servicing more than one contract or some form of advertising to demonstrate independent operations.

# Review of Other States

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According to the Montana Workers' Compensation Annual 2002 report, annual applications for Independent Contractor Exemptions have grown from 14,429 in fiscal year 1998 to 29,204 in fiscal year 2002 for a covered workforce of 370,613 according to the National Academy of Social Insurance. Certainly the prevalence in Montana appears to be higher than other states with certification or registration programs.

## Construction Contractors

MCA 39-9-101 indicate construction contractors must also register separately in order to assure all construction contractors are competing fairly and in compliance with the workers' compensation law. Construction contractors are defined in statute and must submit an application consisting of affidavit, notarized signature and list of corporate officers.

The application to be filed at the Department must be accompanied by a \$70 registration fee. Registrations are effective for two years after approval and subject to audit upon renewal. Construction contractors must also submit an Independent Contractor registration form but can avoid duplicate fees if both forms are submitted at the same time.

If a construction contractor or employer files or uses a falsified registration, they can be subjected to penalties up to \$5000.

Information for both the Independent Contractors and Construction Contractors program are stored in an electronic database. While this is not searchable to the public, the Department does regularly update a pdf document for reference on their website.

The Montana ICCU website provides excellent resources for Independent Contractors and Construction Contractor to determine whether they meet the criteria and to assist in filing requirements.

# Recommendations

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## 1) Best Practices – Identification of conclusive proof for businesses to be approved for IC exemptions.

Many jurisdictions require a notarized and signed affidavit indicating they meet the particular requirements of the exemption law. Fewer states require actual documentation or contracts. South Dakota does this to establish ownership of equipment.

Montana currently requires a notarized and signed affidavit but no documentation upon initial application.

Recommendation - Montana ICCU should consider requiring additional documentation and information at initial application to establish qualifications as an exempt entity. Information such as business advertising, proof of tax filing or other requirements would establish IC and Construction Contractors status.

Montana does a better job on renewal audit by requiring proof such as tax filings, corporate papers or other documents for establishing conclusive proof of exemption. These same standards and documents should be required at the initial application process.

## 2) Best Practices – Identification of processes to assure employers and ICs comply with the intent of the law after certification

Montana has one of the stronger identification and review processes we came across in the seven states studied. Most jurisdictions do little if any proactive review upon reapplication or during the approved period unless there are affirmative complaints.

Montana utilizes a renewal audit process and also provides investigative support when there are reports of abuses or misuses of exemption determinations after issuance.

Recommendation - Montana ICCU should continue providing in depth audits for renewal applications and may want to consider establishing a random audit for compliance on a small sample size during the effective period.

# Recommendations

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Utilizing information and cross checking on compliance with other governmental organizations may also enhance the efforts to ensure exempt entities are not avoiding appropriate programs.

## 3) Best Practices – Identify methods to elicit support for the effective enforcement of the program

Most states use an effective argument that businesses prefer to compete on a level playing field. Insurers and employers also seek a process that provides certainty and consistency in exemption determinations. This premise and ongoing regulatory practices help to solidify ongoing base support for registration or exemption programs.

Another way some states garner support for the process is to make the registration process timely, easy and meaningful. Montana provides a timely process and provides accurate and updated information to the public on a routine basis.

Recommendation - Montana ICCU should develop an online application form that can be pre-filed or used to obtain a temporary certification. This will allow businesses to receive an initial non-binding certificate and make it more business friendly for those contractors needing an exemption before bidding on projects.

Recommendation - ICCU could identify expiring certifications and proactively notify the applicants that the registration is expiring. They can send another form and ask for any information they will require for audit upon re-application.

Recommendation – To enhance the usefulness of the exemption database, Montana ICCU can establish a searchable database of registered exemptions on their website.

This recommendation would require importation of data from a relational database and may require additional system enhancements.

# Recommendations

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## 4) Best Practices – Identify processes to educate business community and exemption holders on the intent of the law.

Most states offer information on their website and via educational conferences if asked. Few offer regular proactive updates and educational outreach on the requirements of their Independent Contractor registration or exemption programs.

Some states offer informational mailings and almost all have easily identifiable program contacts to answer questions from agents, employers or general contractors.

A best practice would incorporate all of the aforementioned passive informational methods with a proactive contact for newly registered businesses, especially in the construction industry.

Montana presents regular informational meetings for employers, sends out educational brochures and shares enforcement referrals with other departments.

Recommendation - Montana ICCU should consider automated mailing of coverage, and Independent Contractor and Construction Contractor informational pamphlets to new businesses registered with the Secretary of State and those setting up new accounts with the Department of Revenue for Unemployment Insurance withholding. This will especially be useful if the mailings can be targeted to construction contractor

## 7) Best Practices - Identify procedures to handle disputes regarding the status and enforcement of IC registrations or exemptions

Most states have a loosely defined informal appeals process for denied determinations. Montana has rules and regulations specifically outlining the process that will be taken on appeal.

After an informal mediation process, the applicant has the right to appeal to a workers' compensation hearing in a normal manner. We believe the Montana process is the best practice nationally and no changes need to be made

# Appendices

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## Appendices

**A. Sample Statutes and Rules (Separately Bound)**

**B. Questionnaire for Other States**

**C. Selected State Contacts Interviewed**

**D. Other State General Resources and Contacts**



## B. Questionnaire for Other States

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- What is the statutory citation for your jurisdictional Independent Contractor registration program?
- How long has your state program existed?
- How many ICs are registered?
  - Annually
  - Total covered worker population
  - What is the length of the exemption once issued
  - Is the proof or documentation requirement different for renewal and the initial exemption application?
- How do you proactively identify companies that are required to register?
  - FAQ's
  - Website
  - Mailings
  - Other
- Do you have any process for verifying the exemption is legitimate before issuing a renewal?
- How do businesses learn about the requirements of IC registration?
- What information is used to identify and educate new businesses?
- What, if any outreach and education efforts does your unit make?
- How do you prevent abuses to the registration process?
- Are there fees for registration?
- Where do those fees go?
  - Fund program
  - Fund education
  - General fund
  - Other
- How long does the certification or exemption process take to complete?
- What type of electronic or database support do you have for the program?
- Is the list of approved IC's available to the public in any format?
- Are you required by statute to share this data or status with other agencies?

## B. Questionnaire for Other States

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- Do you have formal or informal data sharing arrangements with other public agencies?
- Do you rely on other regulatory databases to identify businesses?
  - New Business or Secretary of State
  - Revenue
  - IRS
  - Unemployment Insurance
  - State Funds
- Do you have performance standards for program metrics?
  - Do you have mission statements or goals for the program
  - Do program actions coincide with those goals?
- Are certificates of exemption or registration issued?
- Does the exemption provide certainty regarding employment status for employers, workers, and workers' compensation insurers?
- Do employers, workers and insurers view the exemption or certification process as fair?
- What processes do you have in place to make sure the certificates are used appropriately once issued?
- Are employers, workers, insurers or regulators aware of fraud or misuse of the exemption process?
- What pieces of information are required for certification or exemption?
  - Affidavit
  - Tax returns
  - Proof of stand alone business
  - Financial records Profit and loss etc.
  - Partnership or sole proprietor records
  - Copies of Contracts
  - Copies of bid documents
  - Evidence of advertising to the public (yellow pages, newspaper, radio, TV, business cards)
- What standard of proof do you use for your registration process
- Do you review and rely on court cases or other directional policy documents for determinations?
- Can we get copies of those documents?

## B. Questionnaire for Other States

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- Who makes the certification or exemption determination?
  - Staff background and responsibility
  - Training
  - Finality of determination
- Do employers have the right to appeal a non-registration decision?
- What other types of enforcement and compliance mechanisms are used?
  - Fines
  - Investigation
  - Penalties
  - Cancellation or revocation of certification
  - Cease and desist orders
  - Referral to other regulatory agencies.
  - Other
- Does your registration process accept other business registration certifications as default proof of IC status or non-IC status?
- Do courts rely on the registration for prima facie evidence of exclusion or entitlement to benefits?
- What are the most important factors your state uses when determining IC status?
- What areas work best in your system?
- What areas could you improve or enhance if given the opportunity?
- Are you working on any changes now?
- Have you studied other state processes for registration?
- How do businesses in your state see the registration program?
  - As a benefit to business
  - As an additional regulation layer
  - Other

## C. Selected State Contacts Interviewed

Contact Name	Position	Mailing Address	Phone # (area)	E-Mail
<b>Florida</b>				
Terry Birch	Operations Analyst	Florida Department of Financial Services Division of Workers' Compensation Bureau of Compliance 200 East Gaines Street Tallahassee, FL 32399-4228	850-488-2333	
<b>Indiana</b>				
Natalie Fierek	Policy and Procedure Analyst	Workers' Compensation Board of Indiana 402 West Washington Street Room W-196 Indianapolis, IN 46204	317-233-3384	
<b>Maine</b>				
John Jolicoeur	Deputy Director – Business Services	Maine Workers' Compensation Board 27 State House Station Augusta, ME 04333-0027	207-287-7083	<a href="mailto:john.jolicoeur@maine.gov">john.jolicoeur@maine.gov</a>
Tim Collier	Assistant General Counsel	Maine Workers' Compensation Board 27 State House Station Augusta, ME 04333-0027	207-287-8496	<a href="mailto:timothy.collier@maine.gov">timothy.collier@maine.gov</a>
Terrie McLaughlin	Administrator	Maine Workers' Compensation Board 27 State House Station Augusta, ME 04333-0027	207-287-7084	<a href="mailto:terrie.mclaughlin@maine.gov">terrie.mclaughlin@maine.gov</a>
<b>Oklahoma</b>				
T.L. Williams	Staff Attorney	Oklahoma Department of Labor Legal Services 4001 North Lincoln Blvd. Oklahoma City, OK 73105	405-528-1500 x 310	

## C. Selected State Contacts Interviewed

Contact Name	Position	Mailing Address	Phone # (area)	E-Mail
<b>Rhode Island</b>				
Julie Tamuleviz Kard	Staff Attorney	Rhode Island Department of Labor and Training Division of Workers' Compensation 1511 Pontiac Avenue, Building 69, Second Floor PO Box 20190 Cranston, RI 02920-0942	401-462-8122	<a href="mailto:JKard@DLT.state.ri.us">JKard@DLT.state.ri.us</a>
<b>South Dakota</b>				
Dail Mollard	Wage and Hour Investigator	South Dakota Department of Labor Division of Labor and Management Kneip Building 700 Governors Drive Pierre, SD 57501-2291	605-773-3682	<a href="mailto:Dail.mollard@state.sd.us">Dail.mollard@state.sd.us</a>
<b>Washington</b>				
Doug Mathers	Chief Auditor	Washington Department of Labor and Industries 7273 Linderson Way SW Tumwater, WA 98501-5414	360-902-4750	<a href="mailto:Matr235@lni.wa.gov">Matr235@lni.wa.gov</a>
Pete Schmidt	Contractor Compliance Chief	Washington Department of Labor and Industries 7273 Linderson Way SW Tumwater, WA 98501-5414	360-902-4750	

## D. Other State General Resources and Contacts

Contact Name	Position	Mailing Address	Phone # (area)	E-Mail
<b>Alabama</b>				
Sandy Hallmark	Compliance Supervisor	Department of Industrial Relations Workers' Compensation Division 649 Monroe Street Montgomery, AL 36131	(334) 353-0690	<a href="mailto:Shallmark@dir.state.al.us">Shallmark@dir.state.al.us</a>
<b>Alaska</b>				
Mike Monagle	Workers' Compensation Officer II	Division of Workers' Compensation P.O. Box 25512 Juneau, AK 99802	(907) 465-6055	<a href="mailto:Michael.Monagle@labor.state.ak.us">Michael.Monagle@labor.state.ak.us</a>
<b>Arizona</b>				
Orlando J. Macias	Director – State Labor Department	Industrial Commission of Arizona P.O. Box 19070 Phoenix, AZ 85005	(602) 542-5887	<a href="mailto:LaborAdmin@ica.state.az.us">LaborAdmin@ica.state.az.us</a>
<b>Arkansas</b>				
Ted Goodloe	Legal Advisor	Workers' Compensation Commission 324 Spring Street P.O. Box 950 Little Rock, AR 72203-0950	(800) 250-2511	<a href="mailto:tgoodloe@awcc.state.ar.us">tgoodloe@awcc.state.ar.us</a>
<b>California</b>				
Leslie Clements	Staff Services Manager	Division of Labor Standards Enforcement 455 Golden Gate Avenue, 8 <sup>th</sup> Floor San Francisco, CA 94102	(415) 703-4818	<a href="mailto:LClements@hq.dir.ca.gov">LClements@hq.dir.ca.gov</a>
Richard Stephens	Communications Unit Manager	Division of Workers' Compensation P.O. Box 420603 San Francisco, CA 94142	(415) 975-0721	<a href="mailto:RStephens@dir.ca.gov">RStephens@dir.ca.gov</a>

## D. Other State General Resources and Contacts

Contact Name	Position	Mailing Address	Phone # (area)	E-Mail
<b>Colorado</b>				
Charles Tarnutzer	OIG – UI Audit Manager	Department of Labor and Employment 1515 Arapahoe Street, Tower 3, Suite 200 Denver, CO 80202	(800) 480-8299 ext. 89159	<a href="mailto:Charles.tarnutzer@state.co.us">Charles.tarnutzer@state.co.us</a>
<b>Connecticut</b>				
		Workers' Compensation Commission 21 Oak Street Hartford, CT 06106	(860) 493-1500	<a href="mailto:wcc.chairmansoffice@po.state.ct.us">wcc.chairmansoffice@po.state.ct.us</a>
<b>Delaware</b>				
Gary Stulir	Tax Auditor	Division of Revenue 820 North French Street Wilmington, DE 19801	(302) 577-8266	<a href="mailto:Gary.Stulir@state.de.us">Gary.Stulir@state.de.us</a>
<b>Florida</b>				
Terry Birch	Operations Analyst I	Bureau of Compliance 200 East Gaines Street Tallahassee, FL 32399-4228	(850) 488-2333	<a href="mailto:BirchT@dfs.state.fl.us">BirchT@dfs.state.fl.us</a>
<b>Georgia</b>				
Ron Simpson	Insurance Consultant	State Board of Workers' Compensation 270 Peachtree Street NW Atlanta, GA 30303	(404) 656-0861	<a href="mailto:SimpsonR@SBWC.STATE.GA.US">SimpsonR@SBWC.STATE.GA.US</a>
<b>Hawaii</b>				
Tom Jackson	Administrative Assistant	Department of Labor and Industrial Relations 830 Punchbowl Street, Room 321 Honolulu, HI 96813	(808) 586-8865	<a href="mailto:tjackson@dlir.state.hi.us">tjackson@dlir.state.hi.us</a>
<b>Idaho</b>				
Kate Miller	Office Services Supervisor	Industrial Commission 317 Main Street Boise, ID 83702	(208) 334-6031	<a href="mailto:JMiller@iic.state.id.us">JMiller@iic.state.id.us</a>
<b>Illinois</b>				
Jeanie Thompson	Public Information Supervisor	100 West Randolph St. Suite 8-200 Chicago, IL 60601	(312) 814-2351	<a href="mailto:iicoperations@mail.state.il.us">iicoperations@mail.state.il.us</a>

## D. Other State General Resources and Contacts

Contact Name	Position	Mailing Address	Phone # (area)	E-Mail
<b>Indiana</b>				
Natalie Fierek	Policy and Procedure Analyst	Worker's Compensation Board of Indiana 402 W. Washington St. Room W-196 Indianapolis, IN 46204	(317) 233-3384	<a href="mailto:nfierek@wcb.state.in.us">nfierek@wcb.state.in.us</a>
<b>Iowa</b>				
	Compliance Administrator	Division of Workers' Compensation 1000 East Grand Avenue Des Moines, IA 50319	(515) 281-5387	<a href="mailto:iwd.dwc@iwd.state.ia.us">iwd.dwc@iwd.state.ia.us</a>
<b>Kansas</b>				
Carol S. Cast	Employer Services Coordinator	Division of Workers' Compensation 800 SW Jackson Street, Suite 600 Topeka, KS 66612	(800) 332-0353	<a href="mailto:ccast@hr.state.ks.us">ccast@hr.state.ks.us</a>
<b>Kentucky</b>				
Gary Davis	Director – Division of Security and Compliance	Department of Workers' Claims 657 To Be Announced Avenue Frankfurt, KY 40601	(502) 564-5550 extension 4526	<a href="mailto:Garyw.davis@mail.state.ky.us">Garyw.davis@mail.state.ky.us</a>
<b>Louisiana</b>				
		Office of Workers' Compensation Administration P.O. Box 94040 Baton Rouge, LA 70804-9040	(225) 342-7555	<a href="mailto:owca@ldol.state.la.us">owca@ldol.state.la.us</a>
<b>Maine</b>				
John Jolicoeur	Deputy Director	Workers' Compensation Board 27 State House Station Augusta, ME 04333-0027	(207) 287-3751	<a href="mailto:John.Jolicoeur@maine.gov">John.Jolicoeur@maine.gov</a>
Tim Collier	Assistant General Counsel	Maine Workers' Compensation Board 27 State House Station Augusta, ME 04333-0027	207-287-8496	<a href="mailto:timothy.collier@maine.gov">timothy.collier@maine.gov</a>
Terrie McLaughlin	Administrator	Maine Workers' Compensation Board 27 State House Station Augusta, ME 04333-0027	207-287-7084	<a href="mailto:terrie.mclaughlin@maine.gov">terrie.mclaughlin@maine.gov</a>



## D. Other State General Resources and Contacts

Contact Name	Position	Mailing Address	Phone # (area)	E-Mail
<b>Maryland</b>				
		Workers' Compensation Commission 10 East Baltimore Street Baltimore, MD 21202-1641	(410) 767-0900	<a href="mailto:info@wcc.state.md.us">info@wcc.state.md.us</a>
<b>Massachusetts</b>				
Robert Ganong	Chief Counsel	Division of Employment and Training 19 Staniford Street Boston, MA 02114	(617) 626-5613	<a href="mailto:rganong@detma.org">rganong@detma.org</a>
<b>Michigan</b>				
John Bechtel	Senior Compliance Analyst	Bureau of Workers' and Unemployment Compensation Insurance Programs Division P.O. Box 30016 Lansing, MI 48909	(517) 322-5075	<a href="mailto:jbecht@michigan.gov">jbecht@michigan.gov</a>
<b>Minnesota</b>				
Dave Horning	Insurance Verification Clerk	Workers' Compensation Division Department of Labor and Industry 443 Lafayette Road St. Paul, MN 55155	(651) 284-5170	<a href="mailto:Dave.horning@state.mn.us">Dave.horning@state.mn.us</a>
Todd Hendrickson	Penalty Administrator	Workers' Compensation Division Department of Labor and Industry 443 Lafayette Road St. Paul, MN 55155	(651) 284-5152	<a href="mailto:Todd.Hendrickson@state.mn.us">Todd.Hendrickson@state.mn.us</a>
<b>Mississippi</b>				
Scott Clark	Senior Attorney	Workers' Compensation Commission P.O. Box 5300 Jackson, MS 39296	(601) 987-4266	<a href="mailto:SCLARK@mwcc.state.ms.us">SCLARK@mwcc.state.ms.us</a>
<b>Missouri</b>				
Richard Stickann	Deputy Director	Division of Workers' Compensation P.O. Box 58 Jefferson City, MO 65102-0058	(573) 526-2701	<a href="mailto:RStickann@dolir.state.mo.us">RStickann@dolir.state.mo.us</a>

## D. Other State General Resources and Contacts

Contact Name	Position	Mailing Address	Phone # (area)	E-Mail
<b>Montana</b>				
Jerry Keck	Administrator – Employment Relations Division	Employment Relations Division 1805 Prospect Avenue P.O. Box 8011 Helena, MT 59604-8011	(406) 444-1555	<a href="mailto:jkeck@state.mt.us">jkeck@state.mt.us</a>
Keith Messmer	Bureau Chief	Workers' Compensation Regulation Bureau 1805 Prospect Avenue P.O. Box 8011 Helena, MT 59624-8011	(406) 444-6541	<a href="mailto:kmessmer@state.mt.us">kmessmer@state.mt.us</a>
<b>Nebraska</b>				
Sue Marker	Compliance Examiner	Workers' Compensation Court P.O. Box 98908 Lincoln, NE 68509-8908	(402) 471-6283	<a href="mailto:smarker@wcc.state.ne.us">smarker@wcc.state.ne.us</a>
<b>Nevada</b>				
Dawn Sausedo	Supervisor – Employer Compliance Unit	Industrial Insurance Regulation Section 400 West King Street, Suite 400 Carson City, NV 89703	(775) 684-7285	<a href="mailto:dsaucedo@dbi.state.nv.us">dsaucedo@dbi.state.nv.us</a>
<b>New Hampshire</b>				
		Workers' Compensation Division New Hampshire Department of Labor 95 Pleasant Court Concord, NH 03301	(603) 271-3176	
<b>New Jersey</b>				
		Division of Workers' Compensation P.O. Box 381 Trenton, NJ 08625-0381	(609) 292-2414	<a href="mailto:dwc@dol.state.nj.us">dwc@dol.state.nj.us</a>
<b>New Mexico</b>				
		Workers' Compensation Administration 2410 Centre Street, SE P.O. Box 27198 Albuquerque, NM 87125-7198	(505) 841-6000	<a href="mailto:WCAHotline@state.nm.us">WCAHotline@state.nm.us</a>

## D. Other State General Resources and Contacts

Contact Name	Position	Mailing Address	Phone # (area)	E-Mail
<b>New York</b>				
		Workers' Compensation Board 20 Park Street Albany, NY 12207	(518) 474-6670	
<b>North Carolina</b>				
E. Deneen Barrier	Ombudsman	Industrial Commission 4319 Mail Service Center Raleigh, NC 27699-4319	(919) 807-2501	<a href="mailto:barriere@ind.commerce.state.nc.us">barriere@ind.commerce.state.nc.us</a>
<b>North Dakota</b>				
Robin Bosch	Business Manager	Department of Labor 600 East Boulevard Avenue, Dept. 406 Bismarck, ND 58505-0340	(701) 328-2660	<a href="mailto:rbosch@state.nd.us">rbosch@state.nd.us</a>
<b>Ohio</b>				
David Bush	Chief Ombudsperson	Bureau of Workers' Compensation 30 West Spring Street Columbus, OH 43215-2256	(614) 644-9414	<a href="mailto:David.B.1@bwc.state.oh.us">David.B.1@bwc.state.oh.us</a>
<b>Oklahoma</b>				
T.L. Williams	Staff Attorney	Oklahoma Department of Labor Legal Services 4001 North Lincoln Blvd. Oklahoma City, OK 73105	405-528-1500 x 310	
<b>Oregon</b>				
Reg Gregory	Manager	Employer Compliance Unit 350 Winter Street NE P.O. Box 14480 Salem, OR 97309-0405	(503) 947-7665	<a href="mailto:Reg.E.Gregory@state.or.us">Reg.E.Gregory@state.or.us</a>
<b>Pennsylvania</b>				
		Bureau of Workers' Compensation 1171 S. Cameron Street, Room 103 Harrisburg, PA 17104-2501	(717) 783-5421	<a href="mailto:ra-li-bwc-helpline@state.pa.us">ra-li-bwc-helpline@state.pa.us</a>
<b>Rhode Island</b>				
Julie Tamuleviz Kard	Staff Attorney	Rhode Island Department of Labor and Training Division of Workers' Compensation	401-462-8122	<a href="mailto:JKard@DLT.state.ri.us">JKard@DLT.state.ri.us</a>

## D. Other State General Resources and Contacts

Contact Name	Position	Mailing Address	Phone # (area)	E-Mail
		1511 Pontiac Avenue, Building 69, Second Floor PO Box 20190 Cranston, RI 02920-0942		
<b>South Carolina</b>				
Janet Griggs	General Counsel	Workers' Compensation Commission 1612 Marion Street Columbia, SC 29201	(803) 737-5749	<a href="mailto:legal@wcc.state.sc.us">legal@wcc.state.sc.us</a>
<b>South Dakota</b>				
Dail Mollard	Wage and Hour Investigator	Department of Labor Kneip Building, Third Floor 700 Governors Drive Pierre, SD 57501-2277	(605) 773-3682	<a href="mailto:Dail.mollard@state.sd.us">Dail.mollard@state.sd.us</a>
<b>Tennessee</b>				
Darlene McDonald		Workers' Compensation Division Department of Labor and Workforce Development 710 James Robertson Parkway Gateway Plaza, Second Floor Nashville, TN 37243-0661	(615) 741-2395	<a href="mailto:Darlene.McDonald@state.tn.us">Darlene.McDonald@state.tn.us</a>
<b>Texas</b>				
Donald Hamilton	Unit Supervisor Tax Department - Status Section	Workforce Commission Tax Department 101 East 15th Street Austin, TX 78778-0001	(512) 475-1130	<a href="mailto:Donald.Hamilton@twc.state.tx.us">Donald.Hamilton@twc.state.tx.us</a>
Joe Smith	Claims Services Consultant	Workers' Compensation Commission Southfield Building 4000 South IH-35 Austin, TX 78704-7491	(512) 804-4112	<a href="mailto:joe.smith@twcc.state.tx.us">joe.smith@twcc.state.tx.us</a>
<b>Utah</b>				
Joyce Sewell	Director – Industrial Accidents Division	Industrial Accidents Division P.O. Box 146610 Salt Lake City, UT 84114-6610	(801) 530-6988	<a href="mailto:jsewell@utah.gov">jsewell@utah.gov</a>

## D. Other State General Resources and Contacts

Contact Name	Position	Mailing Address	Phone # (area)	E-Mail
<b>Vermont</b>				
J. Stephen Monahan	Department General Counsel	Department of Labor and Industry National Life Building, Drawer 20 Montpelier, VT 05620-3401	(802) 828-2138	<a href="mailto:js.monahan@labind.state.vt.us">js.monahan@labind.state.vt.us</a>
<b>Virginia</b>				
Ann Beverly	Commission Ombudsman	Workers' Compensation Commission 1000 DMV Drive Richmond, VA 23220	(804) 367-8269	<a href="mailto:ann.beverly@vwc.state.va.us">ann.beverly@vwc.state.va.us</a>
<b>Washington</b>				
Doug Mathers	Chief Auditor	Washington Department of Labor and Industries 7273 Linderson Way SW Tumwater, WA 98501-5414	360-902-4750	<a href="mailto:Matr235@lni.wa.gov">Matr235@lni.wa.gov</a>
Pete Schmidt	Contractor Compliance Chief	Washington Department of Labor and Industries 7273 Linderson Way SW Tumwater, WA 98501-5414	360-902-4750	
<b>West Virginia</b>				
Joe Stanton	Underwriter II	Bureau of Employment Programs Workers' Compensation Division 4700 Mac Corkle Avenue, SE Charleston, WV 25304	(304) 396-1950	<a href="mailto:JStanton@wvbep.org">JStanton@wvbep.org</a>
<b>Wisconsin</b>				
Dennis Lueck	Investigator	Worker's Compensation Bureau of Insurance Programs P.O. Box 7901 Madison, WI 53707-7901	(608) 267-2499	<a href="mailto:dennis.lueck@dwd.state.wi.us">dennis.lueck@dwd.state.wi.us</a>
<b>Wyoming</b>				
Wendy Tyson	Administrator	Employment Tax Division P. O. Box 2760 Casper, WY 82602-2760	(307) 235-3201	<a href="mailto:wtyson@state.wy.us">wtyson@state.wy.us</a>